

ENTERED

August 24, 2021

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
	§	
FIELDWOOD ENERGY LLC, <i>et al.</i> ,	§	Case No. 20-33948 (MI)
	§	
Debtors. ¹	§	(Jointly Administered)
	§	

**STIPULATION AND ORDER BETWEEN
DEBTORS AND COX OIL, LLC AND CERTAIN AFFILIATES
RESOLVING ADJOURNED ASSUMPTION DISPUTE**

This stipulation and order (the “**Stipulation and Order**”) is entered into by and between (i) Cox Oil, LLC, Cox Operating LLC, Energy XXI GOM, LLC, Energy XXI Gulf Coast, Inc., Energy XXI Onshore, LLC, Energy XXI Pipeline, LLC, Energy XXI Pipeline I, LLC, Energy XXI Pipeline II, LLC, M21K, LLC and EPL Oil & Gas, Inc., on behalf of themselves and their applicable affiliates (the “**Cox Entities**”), and (ii) Fieldwood Energy LLC and its debtor affiliates in the above captioned chapter 11 cases (collectively, the “**Debtors**”, and together with the Cox Entities, the “**Parties**”). The Parties hereby stipulate and agree as follows:

WHEREAS, commencing on August 3, 2020 (the “**Petition Date**”), each of the Debtors filed a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”);

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Energy LLC (6778); Fieldwood Energy Inc. (4991); Fieldwood Energy Offshore LLC (4494); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); FW GOM Pipeline, Inc. (8440); GOM Shelf LLC (8107); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422). The Debtors’ primary mailing address is 2000 W. Sam Houston Parkway S., Suite 1200, Houston, TX 77042.

WHEREAS, the Debtors and certain of the Cox Entities are party to various agreements (the “**Cox Agreements**”) that are identified on the Schedule of Assumed Contracts for assumption and assignment or assumption and allocation, as applicable, pursuant to the terms of the Debtors’ *Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and Its Affiliated Debtors* (ECF No. 1742) (the “**Plan**”);²

WHEREAS, on June 7, 2021, the Cox Entities filed their *Limited Objection of Cox Entities to Notice to Contract Parties to Executory Contracts and Unexpired Leases of the Schedule of Assumed Contracts and Cure Amounts* (ECF No. 1504) (the “**Cox Objection**”), seeking to preserve their rights to continue reconciling, netting, and seeking payment in the ordinary course of any ordinary course payments due to Cox under the Cox Agreements;

WHEREAS, on June 25, 2021, the Court entered the *Findings of Fact, Conclusions of Law, and Order (I) Confirming Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and Its Affiliated Debtors and (II) Granting Related Relief* (ECF No. 1751) (the “**Confirmation Order**”), confirming the Debtors’ Plan;

WHEREAS, pursuant to paragraph 38 of the Confirmation Order and Section 8.2 of the Plan, the Debtors and the Cox Entities agreed to adjourn the hearing on the Cox Objection to after the Confirmation Hearing (the “**Adjourned Assumption Dispute**”); and

WHEREAS, the Parties have negotiated in good faith to resolve the Adjourned Assumption Dispute on the terms and conditions set forth in this Stipulation and Order.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into this Stipulation and Order, the Parties hereby stipulate and agree as follows:

² Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Plan.

1. The Cure Amount with respect to the Cox Agreements is \$0.00, which amount reflects prior payments and netting between the Parties prior to and during these Chapter 11 Cases; provided, however, that the Cox Entities shall retain their rights with respect to any amounts outstanding from and after June 1, 2021, as set forth in paragraph 3 below.

2. As of and subject to the occurrence of the Effective Date, the Cox Agreements shall be assumed and assigned or assumed and allocated, as applicable, pursuant to the terms of the Plan Documents, which include the Confirmation Order and Plan.

3. The Cox Entities and the Debtors shall continue to make any payments and credit any offsetting balances accruing under the Cox Agreements for the period of June 1, 2021 through and including the Effective Date of the Plan in accordance with the terms of the Cox Agreements and the Parties' ordinary course of dealing (the "**Pre-Effective Date Amounts**").

4. To the extent any valid, undisputed Pre-Effective Date Amounts are not paid in the ordinary course, the Cox Entities retain any rights, remedies and claims in connection with any such unpaid amounts, including but not limited to the right to seek allowance and payment of these amounts as an administrative claim pursuant to 11 U.S.C. §§ 503, 507 and 1129, as well as the right to recover these unpaid amounts through rights of setoff and recoupment; *provided* that the Debtors, the Post-Effective Date Debtors, FWE I, or the Credit Bid Purchaser, as applicable, reserve any rights, defenses, and claims, including the right to challenge or object to, for any reason, any claims (including administrative claims), rights to setoff or recoupment, asserted by the Cox Entities in connection with the Pre-Effective Date Amounts.

5. Upon the Bankruptcy Court's approval and entry of this Stipulation and Order, the Cox Objection shall be deemed withdrawn.


6. This Stipulation and Order is and shall be binding on the Parties and their successors and assigns, including bankruptcy trustees and estate representatives, and any parent, subsidiary, or affiliated entity of the Parties. This Stipulation and Order shall not be modified, altered, amended or supplemented except by a writing executed by all Parties through their authorized representatives.

7. The terms and conditions of this Stipulation and Order shall be immediately effective and enforceable upon entry by the Bankruptcy Court.

8. The Bankruptcy Court retains jurisdiction over all matters related to this Stipulation and Order.

IT IS SO ORDERED.

Signed: August 24, 2021



Marvin Isgur
United States Bankruptcy Judge

IN WITNESS WHEREOF, this Stipulation and Order has been executed and delivered as of the day and year first below written.

Dated: August 23, 2021

/s/ Jonathan W. Young

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/s/ Jessica Liou

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